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FM AMEMBASSY ABU DHABI  
TO RUEHC/SECSTATE WASHDC 8079  
INFO RUEHDE/AMCONSUL DUBAI 6777  
RUEHLB/AMEMBASSY BEIRUT 0556  
RUEHDO/AMEMBASSY DOHA 1348  
RUEHKU/AMEMBASSY KUWAIT 1190  
RUEHMK/AMEMBASSY MANAMA 1281  
RUEHMS/AMEMBASSY MUSCAT 0594  
RUEHFR/AMEMBASSY PARIS 0996  
RUEHRH/AMEMBASSY RIYADH 1627  
RUEATRS/DEPT OF TREASURY WASHINGTON DC

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SENSITIVE

DEPT FOR NEA/ARP, NEA/ELA, EB/IFD/ODF

E.O. 12958: N/A

TAGS: [ECON](#) [EAID](#) [PREL](#) [LE](#) [AE](#)

SUBJECT: UAE MINSTATE FINANCE AND AMF HEAD ON LEBANON

REF: A) Abu Dhabi 63

B) Abu Dhabi 53

¶1. (SBU) On January 22, Treasury Under Secretary for International Affairs Timothy Adams, Federal Reserve Governor Randall Kroszner, Treasury DAS Ahmed Saeed, and Econchief met with UAE Minstate Finance Dr. Mohammed Khalfan bin Kharbash. Adams told Dr. Kharbash that the U.S. planned to come to the Paris Donors' Conference for Lebanon with a generous package and encouraged the UAE to make a generous pledge as well. He also explained that the International Monetary Fund would likely play a role in Lebanon's economic and financial stabilization. Dr. Kharbash explained that he would attend the donors' conference and that the UAE delegation would be headed by UAE Foreign Minister Sheikh Abdullah bin Zayed Al-Nahyan (AbZ). He committed to passing our concerns to AbZ. Dr. Kharbash also said that he thought Lebanese agreement on an IMF funded program would be key to obtaining private sector buy-in.

¶2. (SBU) On January 23, Adams discussed the Paris Donors' Conference with Arab Monetary Fund Director General Dr Jassim Al-Mannai (who will also attend the conference). Al-Mannai said that he thought that conference would be crucial to Lebanon. He said that he was optimistic that Arab Gulf states would be generous. He was more concerned about Lebanon's ability to implement needed economic reforms, noting that donors would likely attach reform conditions to releasing the money. Al-Mannai said that he thought Lebanese internal politics made it difficult for the Lebanese to capitalize on the conference. The government managed to agree on the conference, but agreeing on reform commitments, was something different.

¶3. (SBU) For its part, the AMF was providing Lebanon with both financial and technical assistance and had already provided \$ 1 billion in assistance linked to reform. The AMF was willing to consider further assistance, but only if the Lebanese seriously committed to economic reforms.

¶4. (U) This message has been cleared by U/S Adams.

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